

Message Text

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ACTION TRSE-00

INFO OCT-01 NEA-09 ISO-00 EB-07 AGR-05 COME-00 SIL-01

LAB-04 OES-03 NSF-01 INT-05 AID-05 SS-15 L-02 SSO-00

NSCE-00 NSC-05 PRS-01 USIE-00 INRE-00 CIAE-00 INR-07

NSAE-00 RSC-01 SP-02 EUR-12 CEA-01 CIEP-01 OMB-01

STR-01 SAM-01 A-01 PER-01 MMS-01 /094 W

----- 082717

O R 081400Z FEB 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC NIACT IMMEDIATE 141

INFO AMEMBASSY CAIRO

AMCONSUL DHAHRAN

AMEMBASSY NEW DELHI

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

AMEMBASSY AMMAN

LIMITED OFFICIAL USE SECTION 1 OF 2 JIDDA 927

PASS TREASURY FOR PARSKY

E.OSV 11652: N/A

TAGS: USSAEC, EAID, SA, US

SUBJECT: TCA READY FOR SIGNATURE WITH MINOR CHANGES

REF: A. STATE 22592; B. JIDDA JQ70

BEGIN SUMMARY: ONLY ONE KEY CHANGE IN DRAFT TECHNICAL
COOPERATION AGREEMENT HAS BEEN REQUESTED BY SAG.
ISSUE NOT A MAJOR ONE AND IF DEPARTMENT APPROVES
BY RETURN CABLE, TCA CAN BE SIGNED FEB 12 OR 13
IN TIME TO BE ANNOUNCED DURING VISIT OF SECRETARY
KISSINGER. END SUMMARY

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1. FOLLOWING EXTENSIVE DISCUSSIONS ON DRAFT

TECHNICAL COOPERATION AGREEMENT BETWEEN AMBASSADOR, ECON VICE

COUNSELOR AND MINSTATE FINANCE ABA AL KHAYL ON FEB 3, A FINAL DRAFT HAS BEEN AGREED TO WITH ONLY MINOR CHANGES FROM REFTEL (A) U.S. REDRAFT. RETENTION OF ONE KEY PHRASE WAS REQUESTED BY DR. SOLIMAN SOLAIM ON FEB 8 (AFTER FURTHER DISCUSSIONS WITH THE MINISTER) IN PREFERENCE TO OUR OWN PHRASING OF PARAGRAPH THREE. HOWEVER, THERE APPEARS TO BE NO SUBSTANTIVE CHANGE IMPLIED ON OUR OWN COSTING FORMULATION WHICH HAS BEEN SUBSTANTIALLY AGREED TO BY SAG.

2. MINSTATE DESIRED ABOVE ALL TO AVOID MODIFYING THE ORIGINAL REDRAFT TO SUCH AN EXTENT THAT IT WOULD HAVE TO BE RETURNED TO THE COUNCIL OF MINISTERS. IN FACT, IF WE DESIRE TO SIGN THE TCA THIS MONTH, IT SEEMS ESSENTIAL THAT FURTHER REFINEMENTS BE CLOSED OFF. THE EMBASSY THEREFORE RECOMMENDS OUR ACCEPTANCE OF THE FOLLOWING DRAFT WITH CHANGES AS NOTED AND ANNOTATED: BEGIN FINAL DRAFT AS APPROVED BY MINSTATE ABA AL KHAYL:

TECHNICAL COOPERATION AGREEMENT
BETWEEN THE
GOVERNMENT OF THE ROYAL KINGDOM OF SAUDI ARABIA
AND THE
UNITED STATES OF AMERICA

WHEREAS, THE GOVERNMENT OF SAUDI ARABIA AND THE GOVERNMENT OF THE UNITED STATES HAVE EXPRESSED THEIR READINESS TO EXPAND COOPERATION IN THE FIELDS OF ECONOMICS, TECHNOLOGY, AND INDUSTRY, AND WHEREAS, THE GOVERNMENT OF SAUDI ARABIA AND THE GOVERNMENT OF THE UNITED STATES WISH TO REGULARIZE PROCEDURES FOR SUCH COOPERATION; AND WHEREAS THE SECOND DEPUTY PRESIDENT OF THE COUNCIL OF MINISTERS AND MINISTER OF THE INTERIOR OF SAUDI ARABIA AND THE SECRETARY OF STATE OF THE UNITED STATES HAVE AGREED TO THE ESTABLISHMENT OF A JOINT COMMISSION ON LIMITED OFFICIAL USE

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ECONOMIC COOPERATION TO BE HEADED BY THE SECRETARY OF THE TREASURY OF THE UNITED STATES AND BY THE MINISTER OF STATE FOR FINANCE AND NATIONAL ECONOMY FOR SAUDI ARABIA; AND WHEREAS, THIS AGREEMENT WILL PROVIDE A MECHANISM TO FACILITATE THE FURNISHING OF TECHNICAL AND ADVISORY SERVICES TO IMPLEMENT THE GOALS OF THE JOINT COMMISSION, AND OTHER MUTUAL OBJECTIVES OF THE TWO GOVERNMENTS.

IT IS HEREBY AGREED THAT:

(1) THE GOVERNMENT OF THE UNITED STATES WILL MAKE AVAILABLE TO THE GOVERNMENT OF SAUDI ARABIA, FOR THE PURPOSE OF ASSISTING THE GOVERNMENT OF SAUDI ARABIA IN THE DEVELOPMENT OF ITS ECONOMIC AND HUMAN RESOURCES, ADVISORS FOR THE PROVISION OF SUCH PROFESSIONAL AND TECHNICAL ADVISORY SERVICES AS MAY BE MUTUALLY AGREED BETWEEN THE GOVERNMENT OF SAUDI ARABIA AND THE UNITED STATES GOVERNMENT. ADVISORS MAY BE FURNISHED FROM WITHIN OR FROM OUTSIDE THE UNITED STATES GOVERNMENT. SERVICES PROVIDED UNDER THIS PARAGRAPH MAY INCLUDE TRAINING IN THE UNITED STATES OR VISITS DESIGNED TO ASSIST IN THE ACQUISITION OF SPECIALIZED TECHNICAL OR PROFESSIONAL KNOWLEDGE, FOR CITIZENS SELECTED BY THE GOVERNMENT OF SAUDI ARABIA. (END TEXT PARA 1, BEGIN COMMENT: SAG DESIRED CHANGE HERE TO INCLUDE ALL SAUDI CITIZENS, NOT JUST SAG EMPLOYEES. END COMMENT.)

(2) THE TWO GOVERNMENTS, IN CONSULTATION, SHALL ADOPT MUTUALLY AGREEABLE ORGANIZATIONAL ARRANGEMENTS TO FACILITATE COOPERATIVE IMPLEMENTATION OF THIS AGREEMENT, AND EACH SIDE SHALL DESIGNATE APPROPRIATE ADMINISTRATIVE ENTITIES TO DEAL WITH EACH OTHER IN FULFILLING THE PROVISIONS OF THIS AGREEMENT CONCERNING THE FURNISHING OF TECHNICAL ASSISTANCE.

(END TEXT PARA 2, BEGIN COMMENT: SAUDI SIDE, IN ACTUAL FACT DR. SOLAIM, PROPOSED INCORPORATING NEW ARTICLE 11 INTO ARTICLE TWO AS A NATURAL CONTINUAL LIMITED OFFICIAL USE

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TION OF SUBJECT DEALT WITH. WE AGREED. END COMMENT)

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INFO OCT-01 NEA-09 ISO-00 EB-07 AGR-05 COME-00 SIL-01

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PASS TREASURY FOR PARSKY

(3) ACCORD MAY BE REACHED IN THE CONTEXT OF THIS AGREEMENT THAT THE U.S. GOVERNMENT WILL UNDERTAKE THE PREPARATION OF TECHNICAL OR ECONOMIC STUDIES OF SPECIFIC DEVELOPMENT PROJECTS IF SO REQUESTED BY THE GOVERNMENT OF SAUDI ARABIA. SHOULD SUCH ACCORD BE REACHED, THE GOVERNMENT OF SAUDI ARABIA SHALL DEFRAY ALL COSTS ARISING FROM SUCH ACTIVITIES INCLUDING INDIRECT COSTS, PLANNING COSTS, AND THE COSTS OF PROJECT TERMINATION, AS WELL AS ANY TAXES ON OWNERSHIP OR USE OF PROPERTY AND ANY CUSTOMS DUTIES, IMPORT AND EXPORT TAXES OR ANY OTHER TAXES OR SIMILAR CHARGES IN SAUDI ARABIA.

(END TEXT REVISED PARA 3 AND 4, BEGIN COMMENT:

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MINISTER DESIRES TO AVOID RETURNING TO COUNCIL TO GAIN APPROVAL OF MORE COMPLETE USG PHRASING FOR FIRST SENTENCE OF PARA 3. THIS WAS STICKIEST POINT DISCUSSED WITH MINISTER AND REVOLVED AROUND IMPLICATION HE READ INTO OUR REDRAFT THAT USG (OR THE COMMISSION ITSELF) MIGHT UNDERTAKE INITIATIVES WITHOUT EXPRESS DESIRE OF THE COMPETENT MINISTRIES

ALONG THE LINES OF OUR EARLIER DEVELOPMENT ENTERPRISE PROPOSAL. FEBRUARY 8 CONVERSATION WITH DR. SOLIM INDICATES THAT MINISTER WILL PROBABLY ACCEPT OUR FORMULATION OF SECOND SENTENCE AS GIVEN ABOVE ALTHOUGH HE MIGHT STILL PREFER FORMULATION GIVEN IN JIDDA REFTEL. EMBASSY VIEWS WASHINGTON REPHRASING OF SENTENCE ONE AS NON-SUBSTANTIVE AND RECOMMENDS ADOPTION OF SENTENCE ONE FORMULATION AS GIVEN. SENTENCE TWO DEFINITION OF COSTS WILL, IN ALL LIKELIHOOD BE ACCEPTABLE TO MINISTER IF FIRST SENTENCE IS APPROVED, ACCORDING TO DR. SOLIM. END COMMENT)

(4) THE GOVERNMENT OF THE UNITED STATES MAY ASSIGN SUCH PERSONNEL TO SAUDI ARABIA AS MAY BE NECESSARY TO PROVIDE ADEQUATE ADMINISTRATIVE AND STAFF SUPPORT TO CARRY OUT THE PURPOSES OF THIS AGREEMENT. THE GOVERNMENT OF SAUDI ARABIA WILL DEFRAID ALL COSTS OF PROVIDING SUCH ADMINISTRATIVE AND STAFF SUPPORT.

(5)(A) THE GOVERNMENT OF SAUDI ARABIA WILL ESTABLISH A DOLLAR TRUST ACCOUNT IN THE UNITED STATES TREASURY AND PROVIDE IN SUCH ACCOUNT, IN ADVANCE, THE FULL AMOUNT OF FUNDS NECESSARY TO COVER THE COSTS DESCRIBED IN ARTICLE 3, OR ANY INCREASED COST UNDER ANY MUTUALLY AGREED INCREASED COST ESTIMATE. THE UNITED STATES GOVERNMENT MAY DRAW ON THIS ACCOUNT TO DEFRAID THE COSTS AS INCURRED BY THE GOVERNMENT OF THE UNITED STATES IN PROVIDING SUCH SERVICES.

(B) ANY FUNDS REQUIRED BY THE UNITED STATES GOVERNMENT TO PAY COSTS TO BE DEFRAID BY THE GOVERNMENT OF SAUDI ARABIA UNDER ARTICLE 4, INCLUDING ANY PAYMENTS TO UNITED STATES GOVERNMENT LIMITED OFFICIAL USE

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EMPLOYEES, SHALL BE DEPOSITED BY THE GOVERNMENT OF SAUDI ARABIA IN THE TRUST ACCOUNT IN SUCH AMOUNTS AND AT SUCH TIMES AS ARE MUTUALLY AGREED AND THE UNITED STATES MAY DRAW ON THE ACCOUNT FOR THIS PURPOSE IN THE AMOUNT SO AGREED.

(C) THE UNITED STATES GOVERNMENT SHALL PROVIDE TO THE GOVERNMENT OF SAUDI ARABIA A STATEMENT AT THE END OF EACH SIX MONTHS PERIOD DURING WHICH THE TRUST ACCOUNT IS OPERATIVE OF FUNDS IN THE ACCOUNT AT THE BEGINNING OF SUCH PERIOD, DISBURSEMENTS FROM THE ACCOUNT DURING SUCH PERIOD, AND THE BALANCE IN THE ACCOUNT AT THE END OF SUCH PERIOD.

(D) IN NO EVENT SHALL THE GOVERNMENT OF THE UNITED STATES BE OBLIGATED TO PROVIDE SERVICES UNDER THIS AGREEMENT FOR WHICH FUNDS ARE NOT AVAILABLE IN THE TRUST ACCOUNT.

(6) IF, UPON TERMINATION OF THIS AGREEMENT, THERE ARE FUNDS REMAINING IN THE TRUST ACCOUNT AFTER ALL COSTS HAVE BEEN DEFRAIDED AND ALL LIABILITIES SATISFIED, SUCH FUNDS SHALL BE REFUNDED TO THE GOVERNMENT OF SAUDI ARABIA.

(7) AMERICAN EMPLOYEES OF THE UNITED STATES GOVERNMENT WHO ARE: (1) ASSIGNED TO PERFORM SERVICES UNDER THIS AGREEMENT, OR (2) ASSIGNED TO PROVIDE SUPPORT FOR SUCH PERSONNEL WILL BE CONSIDERED ATTACHED TO THE EMBASSY OF THE UNITED STATES OF AMERICA IN THE KINGDOM OF SAUDI ARABIA AND THEY AND THEIR DEPENDENTS IN THE KINGDOM OF SAUDI ARABIA SHALL BE ENTITLED TO THE PRIVILEGES AND IMMUNITIES ACCORDED TO PERSONNEL OF THE EMBASSY OF COMPARABLE RANK AND CATEGORY. SUCH PRIVILEGES SHALL NOT EXTEND TO EMPLOYEES OF ESTABLISHMENTS OR CORPORATIONS UNDER CONTRACT TO THE U.S. OR SAUDI GOVERNMENT IN ACCORD WITH THIS AGREEMENT. (END PARA 7, BEGIN COMMENT: SAUDIS DESIRED THAT PRIVILEGES AND IMMUNITIES BE TIED TO ONLY LIMITED OFFICIAL USE

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AMERICAN EMPLOYEES. WE AGREE. THEY ALSO DESIRE THAT WE SPELL OUT IN THE LANGUAGE OF THEIR REDRAFT WHICH CLEARED THE COUNCIL OF MINISTERS THE SPECIFIC EXEMPTION FROM SUCH PRIVILEGES OF OTHER-THAN-AMERICAN EMPLOYEES OF THE USG AS NOTED IN SECOND SENTENCE. WE SAW NO OBJECTION TO THIS. END COMMENT)

(8) WHEN REQUESTED BY EITHER GOVERNMENT, REPRESENTATIVES OF BOTH GOVERNMENTS WILL MEET TO REVIEW PROGRESS TOWARD MEETING THE PURPOSE OF THIS AGREEMENT, AND TO NEGOTIATE SOLUTIONS TO ANY OUTSTANDING PROBLEMS.

(9) THE GOVERNMENT OF SAUDI ARABIA AGREES THAT NO CLAIM WILL BE BROUGHT BY THE GOVERNMENT OF SAUDI ARABIA AGAINST THE GOVERNMENT OF THE UNITED STATES OR ITS EMPLOYEES THAT MAY ARISE AS A RESULT OF THE TECHNICAL SERVICES FURNISHED UNDER THIS AGREEMENT AND FURTHER AGREES TO HOLD THE GOVERNMENT OF THE

UNITED STATES HARMLESS AGAINST ANY AND ALL CLAIMS THAT MAY ARISE AS A RESULT OF THE TECHNICAL SERVICES FURNISHED UNDER THIS AGREEMENT. THE GOVERNMENT OF SAUDI ARABIA RESERVES THE RIGHT TO BRING ANY CLAIMS IT HAS AGAINST ANY PRIVATE PERSONS, INDIVIDUAL OR CORPORATE, PERFORMING SERVICES UNDER THIS AGREEMENT, AND THE GOVERNMENT OF THE UNITED STATES SHOULD EXERCISE REASONABLE EFFORTS INCLUDING ASSIGNING RIGHTS OF THE GOVERNMENT OF THE UNITED STATES TO FACILITATE THE FOREGOING.

(10) THIS AGREEMENT SHALL REMAIN IN EFFECT FOR FIVE YEARS FROM THE DATE OF SIGNATURE, SUBJECT TO REVISION OR EXTENSION, AS MUTUALLY AGREED, AND MAY BE TERMINATED AT ANY TIME BY EITHER GOVERNMENT BY ONE HUNDRED AND EIGHTY DAYS ADVANCE NOTICE IN WRITING.
END TEXT OF TCA

3. MINISTER HAS URGED THAT TCA BE FINALIZED AND LIMITED OFFICIAL USE

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SIGNED AS SOON AS POSSIBLE. AMBASSADOR WOULD SIGN FOR USG AND MINSTATE FOR FINANCE ABA AL KHAYL FOR SAUDIS. SIGNING WOULD TAKE PLACE ON FEB 12 OR 13 AND TCA WOULD BE FORMALLY ANNOUNCED DURING VISIT OF SECRETARY KISSINGER FEB 15.

4. REQUEST DEPARTMENT CONFIRM APPROVAL OF ABOVE TEXT AND PROCEDURE BY RETURN CABLE.
AKINS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, TECHNICAL ASSISTANCE, COMMITTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JIDDA00927
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750047-0281
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750260/aaaacbsf.tel
Line Count: 366
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 22592, 75 JIDDA JQ70
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 04 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 AUG 2003 by KelleyW0>; APPROVED <24 NOV 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
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Subject: TCA READY FOR SIGNATURE WITH MINOR CHANGES
TAGS: EAID, SA, US, USSAEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006